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Seoul Semiconductor Co., Ltd. and  
Seoul Semiconductor, Inc.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

Nichia Corporation,  
  
Plaintiff,  
  
v.  
  
Seoul Semiconductor Co., Ltd. and Seoul  
Semiconductor, Inc.,  
  
Defendants.

No. 3:06-CV-0162 (MMC)

SEOUL SEMICONDUCTOR  
DEFENDANTS' MOTION *IN LIMINE*  
NO. 7: MOTION *IN LIMINE* TO  
EXCLUDE EVIDENCE OF SEOUL'S  
ASSERTION OF PRIVILEGE -  
PROTECTING OPINION LETTERS

**MOTION**

Defendants Seoul Semiconductor Co., Ltd. and Seoul Semiconductor, Inc.  
("Seoul") respectfully move this Court *in limine* for an order excluding evidence of Seoul's  
assertion of privilege protecting its opinion letters. This motion is based on the Memorandum of  
Points and Authorities filed herewith and the pleadings, records and papers on file in this case.

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. NICHIA SHOULD BE PROHIBITED FROM PRESENTING EVIDENCE RELATED TO SEOUL'S CLAIM OF ATTORNEY-CLIENT PRIVILEGE REGARDING OPINIONS OF COUNSEL**

Seoul moves to preclude Nichia from presenting evidence related to Seoul's assertion of the attorney-client privilege for opinion letters regarding the patents at issue. Nichia is not entitled to argue to the jury to draw an adverse inference from Seoul's assertion of the privilege for opinions of counsel. Thus, Nichia may not present evidence about Seoul in connection with a lawyer opinion letter.

A defendant may rely upon the "advice of counsel" defense to a plaintiff's claim of willful infringement. If it elects to assert this defense, the defendant waives the attorney-client privilege regarding that advice. *See In re EchoStar Communications Corp.*, 448 F.3d 1294, 1299 (Fed. Cir. 2006); *Mushroom Assoc. v. Monterey Mushrooms, Inc.*, 24 U.S.P.Q.2d 1767, 1770 (N.D. Cal. 1992).

Thus, a defendant charged with willful infringement faces a dilemma. It may either (1) rely on the advice of counsel as a defense and waive the attorney-client privilege or (2) relinquish the advice of counsel defense. *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 1343-44 (Fed. Cir. 2004).

In 2004, the Federal Circuit dealt with this issue in *Knorr-Bremse, supra*. Before that decision, some courts permitted an adverse inference in certain situations where a party refused to put forth opinion of counsel regarding its infringement of the patent, *see, e.g., Kloster Speedsteel AB v. Crucible Inc.*, 793 F.2d 1565, 1580 (Fed. Cir. 1986), while other courts did not. *Knorr-Bremse*, 383 F.3d at 1341. This issue was resolved in 2004 by the Federal Circuit, which held that adverse inferences may no longer be drawn from an accused infringer not putting forth an advice of counsel opinion. In *Knorr-Bremse* the Federal Circuit held that "no adverse inference that an opinion of counsel was or would have been unfavorable flows from an alleged infringer's failure to obtain or produce an exculpatory opinion of counsel." *Knorr-Bremse*, 383

1 F.3d at 1341.

2 Here, evidence regarding Seoul's assertion of the attorney-client privilege as to  
 3 Seoul's opinion letters may not be introduced. *See McKesson Info. Solutions, Inc. v. Bridge*  
 4 *Med., Inc.*, 434 F. Supp. 2d 810, 812 (E.D. Cal. 2006) (holding that the inference a jury might  
 5 draw from knowing that the defendant obtained an opinion of counsel, but refused to reveal it  
 6 under a claim of privilege, would violate the rationale of *Knorr-Bremse.*); *see also Insituform*  
 7 *Technologies, Inc. v. CAT Contracting, Inc.*, 385 F.3d 1360, 1377 (Fed Cir. 2004) (Failure of  
 8 patent infringement defendant to obtain exculpatory opinion of counsel did not give rise to  
 9 adverse inference or presumption that such opinion would have been unfavorable, for purpose of  
 10 determining whether infringement was willful).

11 In *McKesson*, the court weighed the potential prejudice to a plaintiff who was  
 12 precluded from using such evidence against prejudice to a defendant if such evidence is  
 13 presented to a jury. It concluded, "[w]ere the court to permit such evidence [of an un-exercised  
 14 opinion letter], even with a cautionary instruction imposing *Knorr-Bremse's* limitations (of no  
 15 adverse inference), the jury would nevertheless be left to speculate why Bridge would not reveal  
 16 its counsel's opinion. It is inescapable that the jury would likely conclude that Bridge received  
 17 an unfavorable opinion, otherwise Bridge would reveal it. This is precisely the negative  
 18 inference *Knorr-Bremse* prohibits." *Id.* at 812.

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1 Under *Knorr-Bremse*, Nichia is not entitled to argue to the jury to draw an  
2 adverse inference from Seoul's assertion of the privilege with respect to opinions of counsel.  
3 Moreover, as explained in *McKesson*, there is then no reason Nichia needs to present this  
4 evidence. As such, the introduction of any such evidence is to be strictly prohibited.

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10 By: /s/ Beth H. Parker  
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